PROTECTION TO TRADE-MARKS

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THE TRADE-MARK REPORTER

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The Trade-Mark Reporter

The Current Law of Trade-Marks and Unfair Competition in the United States

This publication, issued monthly, contains all current decisions of the law of trade-marks, trade-names and unfair competition in the courts of the United States, and of the several States and in the United States Patent Office. The text of opinions, other than Patent Office decisions, is given in full so far as they relate to trade-marks, or allied subjects, with references to the official or other reports, if any, in which the cases are to be found, and with annotations and cross references, designed to illustrate the development and assist in the study of this branch of the law.

It likewise contains the text of all legislative enactments of the several state legislatures, and of the federal congress, relating to the subject.

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UNITED STATES TRADE-MARK ASS'N

32 Nassau St. New York, N. Y.

CORRAL, WODISKA Y CA. v. ANDERSON THORSON & CO., ET AL.

United States Court of Appeals, Seventh Circuit

January 24, 1938

TRADE-MARKS—ASSIGNMENT—MUTUALITY.

A contract between a cigar manufacturer and a dealer, whereby the latter assigned certain cigar trade-marks to the former in return for a specified sum and grant of exclusive sales territory for the trade-marked brand, *held* not to be lacking in mutuality.

TRADE-MARKS—RIGHT TO ASSIGN.

A retailer may assign his trade-mark to the manufacturer of an article sold by him. A manufacturer also may assign his trade-mark to one who sells his goods.

TRADE-MARKS—ASSIGNMENT—"BERING" AND "VITUS BERING"—CONSIDERATION.

A cigar manufacturer had the right to grant to a dealer, through assignment by latter to the manufacturer of certain cigar trade-marks, the exclusive right of sale in a certain territory as a part of the consideration.

In equity. Action to recover for cigars sold and delivered to defendant, wherein the latter filed a counterclaim. Judgment for plaintiff and defendants appeal. Reversed.

Justus Chancellor, Justus Chancellor, Jr., Carl H. Lundquist, and *James O'Callaghan,* all of Chicago, Ill., for appellants.

Winston, Strawn & Shaw, of Chicago, Ill. (*Harold A. Smith* and *Thomas I. Underwood,* both of Chicago, Ill., of counsel), for appellee.

Before SPARKS and TREANOR, Circuit Judges, and LINDLEY, District Judge.

TREANOR, C. J.: This is an appeal from a judgment in favor of the plaintiff in a suit to recover $41,114.85 for cigars alleged to have been sold and delivered to the defendant. The defendant filed a plea of *non assumpsit,* affidavit of merits, and a counterclaim for $100,000 damages. At the close of all evidence and after argument the court, upon plaintiff's motion, withdrew the evidence from the consideration of the jury and instructed the jury to find the issues for the plaintiff and to assess the plaintiff's damages in the sum of $38,661.66, together with interest thereon from May 3, 1933; and the

court further instructed the jury "to find the issues in favor of the plaintiff and against the defendant on the defendant's pleas of set-off."

The defendant is an Illinois corporation, Anderson, Thorson & Co., and the plaintiff, Corral, Wodiska Y & Ca., is a foreign corporation organized under the laws of Florida. Prior to May 1, 1917, defendant owned certain trade and registered marks described in certificate of registrations as "Bering" and "Vitus Bering," and had the exclusive right to their use and of sale thereunder throughout the United States. These brands were specially featured in Chicago and suburbs; and the cigars which were sold under the brands were made by the plaintiff for the defendant and were described as a "clear Havana cigar" of the finest quality.

Early in the year 1917, the plaintiff indicated a desire to purchase the trade-marks "Bering" and "Vitus Bering" and negotiations were conducted by a Mr. Hammer, acting for the plaintiff, with Mr. Thorson, the vice-president of the defendant company. It is the contention of the defendant, the appellant here, that the result of the negotiations was a contract by the terms of which the defendant agreed to transfer the brands, or trade-marks, to the plaintiff, and the plaintiff agreed that the defendant should have the exclusive right of sale of cigars under the trade-name in the city of Chicago and suburbs, and that

> Plaintiff would not, at any time, sell any cigars so branded to any one, either in said territory or in any other territory where the same would be transferred into defendant's said exclusive territory, or to any person, firm, or corporation that would bring the same or send the same into said exclusive territory and which territory was, as a condition of transfer, reserved and agreed upon as belonging exclusively to defendant who should have and retain the said exclusive sales rights and business therein.

The basis of defendant's counterclaim is the alleged violation of defendant's right to have the exclusive sale of the "Bering" brand in Chicago and vicinity. We adopt as correct the following summary of the contested issues as stated by appellee:

> (1) Whether or not the defendant Anderson, Thorson & Co. had a definite and specific agreement with the plaintiff, Corral, Wodiska Y Ca., for an exclusive sales territory.

(2) Whether or not, after assuming there was a definite agreement between the parties, such agreement was lacking in mutuality.

(3) Whether or not the defendant Anderson, Thorson & Co. could by parol testimony vary the terms of a written assignment in order to show that it, the defendant, retained some right or reversionary interest in and to the trade-marks and trade-names.

(4) Whether or not the evidence of damages introduced by the defendant should have been submitted to the injury.

As stated above, the trial court withdrew the evidence from the consideration of the jury and directed a verdict for the plaintiff and against the defendant. Appellant urges that such action of the trial court constitutes reversible error for the reason that there was sufficient substantial evidence to require a submission to the jury of the issues of fact presented by the counterclaim and replication thereto. Appellant also urges that the trial court committed prejudicial error by excluding certain testimony which was offered to explain what was meant by the recital "other good and valuable considerations" in the written assignment of the trade-marks "Bering" and "Vitus Bering" to the plaintiff from the defendant.

An examination of the evidence in the record leads us to the conclusion that there was substantial evidence from which the jury reasonably could have concluded that a definite contract was made between the plaintiff and the defendant prior to May 29, 1917; and that by the terms of the contract the defendant agreed to assign its title to the trade-marks in question to the plaintiff in consideration of the plaintiff's paying the defendant $650 and granting to the defendant "the exclusive sale for the Bering brand for Chicago and vicinity."

The foregoing conclusion is borne out by the following excerpts from the record:

(1) I had negotiations with Mr. Hammer of Corral, Wodiska with reference to this copyright I bought in February, 1917. He said, "we would like to purchase the Bering copyright, the Bering label." I said, "we might consider that, but we must retain absolute control for Chicago and vicinity." Mr. Hammer said, "That will be satisfactory to my firm I am sure." (Testimony of Mr. Thorson, vice-president of defendant company.)

(2) As regards the Bering Brand, ... we will be willing to allow you the $650.00 as paid. . . .

Rest assured that you have the exclusive sales for the Bering Brand for Chicago and vicinity, and we shall certainly sell to no one who would be purchasing the goods merely to ship them into Chicago to interfere with your

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(2) Whether or not, after assuming there was a definite agreement between the parties, such agreement was lacking in mutuality.

(3) Whether or not the defendant Anderson, Thorson & Co. could by parol testimony vary the terms of a written assignment in order to show that it, the defendant, retained some right or reversionary interest in and to the trade-marks and trade-names.

(4) Whether or not the evidence of damages introduced by the defendant should have been submitted to the injury.

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An examination of the evidence in the record leads us to the conclusion that there was substantial evidence from which the jury reasonably could have concluded that a definite contract was made between the plaintiff and the defendant prior to May 29, 1917; and that by the terms of the contract the defendant agreed to assign its title to the trade-marks in question to the plaintiff in consideration of the plaintiff's paying the defendant $650 and granting to the defendant "the exclusive sale for the Bering brand for Chicago and vicinity."

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(2) As regards the Bering Brand, ... we will be willing to allow you the $650.00 as paid. . . .

Rest assured that you have the exclusive sales for the Bering Brand for Chicago and vicinity, and we shall certainly sell to no one who would be purchasing the goods merely to ship them into Chicago to interfere with your

trade. (A letter bearing date April 9, 1917, from Corral, Wodiska Y Ca. to Anderson, Thorson & Co.)

(3) Stipulation.

It is Hereby Stipulated and Agreed, by and between the parties to the above entitled cause that Hiram Hammer, salesman for Corral, Wodiska Y Ca., and Robert N. Anderson, president of Anderson, Thorson & Co., would, if called and placed upon the witness stand in the above entitled cause, testify in chief in substance as follows: . . . .

That defendant used said brand, Vitus Bering, and the labels in connection with its business then being conducted by it in the City of Chicago, and it was then having cigars manufactured by plaintiff put in said label and wrapper bearing the name of said brand so certified in the two certificates aforesaid, and was selling same in the City of Chicago and vicinity to its customers.

That plaintiff, Corral, Wodiska Y Ca., through Hiram Hammer, approached the defendant, through Axel L. Thorson, for the privilege of using said registered copyright and label in the territory outside the City of Chicago and vicinity, and was refused such transfer except on the condition and understanding between the parties that defendant retain the exclusive right to the use of said brand in the City of Chicago and vicinity and upon the expressed understanding and condition that plaintiff would not sell to anyone in the City of Chicago or to anyone outside the City of Chicago for the purpose of shipping into Chicago or vicinity to interfere with defendant's trade in said brand.

That Hiram Hammer, on behalf of plaintiff Corral, Wodiska Y Ca., then agreed with Axel Thorson acting for defendant, that if such brand was transferred to plaintiff, plaintiff would accept the same subject to the reservation made by defendant, and upon the terms and conditions proposed by defendant to the effect that defendant should retain the exclusive use of said brand in the City of Chicago and vicinity, and that plaintiff would not interfere with defendant's trade or sell to anyone interfering with defendant's trade in Chicago or vicinity, but would confine its operation to the territory outside of Chicago and vicinity.

That Hiram Hammer reported to the plaintiff the agreement which he had made with Anderson, Thorson & Co., defendant, and plaintiff approved his action in connection therewith.

That thereafter, upon said agreement and understanding between the parties, and pursuant thereto, defendant executed the assignments appearing on the back of said certificates under date of May 29, 1917.

That, thereafter, plaintiff and defendant acted in harmony with the said stipulation and agreement aforesaid for a period of about nine years, observing respectively respecting the rights of each as stipulated.

Assuming that a contract, as stated above, was entered into between the plaintiff and the defendant, there was no lack of mutuality. The defendant completely performed its part of the contract when it made the written assignment on May 29, 1917, and it appears from the evidence that the plaintiff paid the $650 by allowing defendant credit on purchases of cigars. The only outstanding obligation was that of the plaintiff to continue to respect the exclusive sales

rights of the defendant company in the Chicago territory. The suggestion that prior negotiations were merged in the written assignment of May 29, 1917 is untenable, since the written assignment did not constitute a contract between the parties, but merely constituted performance by the defendant of its obligation under the contract. Furthermore, no violation of the rule that parol evidence cannot be introduced to contradict the terms of a written contract occurs in the instant case by permitting the defendant to introduce parol evidence for the purpose of showing that the consideration for the assignment of the trade-marks was the grant of exclusive sales rights for the Chicago territory.

There appears to be no legal obstacle either to a retailer's assigning his trade-mark to the manufacturer of the article sold by the retailer, or to a manufacturer's assigning his trade-mark to one who sells the goods of the manufacturer.[1] And we see no legal objection in the instant case to the plaintiff's agreeing to permit the defendant the exclusive sales rights of cigars in Chicago and vicinity of the Bering brand as part consideration for the defendant's agreement to assign the Bering trade-marks to the plaintiff.

In view of the foregoing, we necessarily conclude that it was prejudicial error for the trial court to exclude the testimony which was offered for the purpose of explaining what was meant by the words "other good and valuable consideration" in the written assignment of the trade-marks.

Assuming the existence of a valid contractual obligation by the plaintiff company to respect and protect the exclusive sales rights of the defendant in the Chicago territory, there was substantial evidence from which the jury reasonably could have found that the plaintiff had violated its obligation.

Since the case did not go to the jury, there was no occasion for the trial court to instruct the jury on the subject of damages. It may be that some of the items of loss which were relied upon by the defendant company are too speculative to admit of the application of

[1] See *The Coca-Cola Bottling Co.* v. *The Coca-Cola Co.*, 1920 D. C., 269 F. 796 [11 T.-M. Rep. 134]; *United States Ozone Co., et al.* v. *United States Ozone Co. of America*, 1932, 7th Cir. 62 F. (2d) 881 [22 T.-M. Rep. 304].

any sound measure of damages. We think there was substantial evidence from which the jury reasonably could have found facts which would have required the conclusion that plaintiff's direct sales to Walgreen Drug Company and Liggett Company violated defendant's exclusive sales right in the Chicago territory; and there was also substantial evidence from which the jury reasonably could have concluded that such direct sales by the plaintiff caused a money loss to the defendant which was susceptible of a definite calculation.

We conclude that the trial court erred in withdrawing the evidence from the consideration of the jury and in directing a verdict against the defendant on the issues raised by its counterclaim and the replication thereto.

The judgment of the District Court is reversed and cause remanded for further proceedings not inconsistent with this opinion.

S. S. Kresge Company, et al. v. Winget Kickernick Company, et al., J. C. Penny Company, Incorporated, et al. v. Same La Mode Garment Company v. Same

United States Circuit Court of Appeals, Eighth Circuit

May 16, 1938

Trade-Marks—Infringement—How Determined.

While trade-mark infringement issues may be presented and determined on the basis of bare comparison of the marks, an entirely different situation is presented where the court has not only the marks before it, but evidence of actual experience in the trade in the use thereof; and the court must be governed by what it believes the evidence shows as to such actual experience.

Trade-Marks—"Kickaway" and "Kickernick" on Garments—Res Ajudicata.

In a suit brought on appeal from a decision dismissing plaintiff's complaint in a suit for alleged infringement of its trade-mark "Kickernick" by the trade-mark "Kickaway," *held* that a prior decision in an action between the parties decided by a District Court was not *res ajudicata* in the present action, since *res ajudicata* does not depend on evidence or the reason supporting an earlier decision.

Trade-Marks and Unfair Competition—Deception of Customers—Evidence.

Where there was no evidence of palming-off on retailers by makers of "Kickaway" garments, but substantial evidence of sales by retailer's

clerks of "Kickaway" garments to customers who asked for "Kickernick" garments, said sales being due to the similarity of names, defendants *held* guilty of unfair competition.

In equity. Action for alleged patent and trade-mark infringement and for unfair competition. Appeal from the decision of the District Court, District of Minnesota. Reversed in part and affirmed in part.

George I. Haight (*John J. Sexton* and *John A. Marzall* with him on the brief), for appellants.

Frank A. Whiteley, for appellees.

Before STONE, SANBORN and THOMAS, Circuit Judges.

STONE, C. J.: Mary D. Neilson was granted patent No. 1,389,067 covering "Undergarments for Women." She was also granted patent No. 1,680, 267 which she thereafter surrendered upon Reissue No. 17,903—this patent being for "Process of making garments for women and children." Thereafter, she gave an exclusive license to Winget-Kickernick Company to make, use and sell under these patents. Also, the Winget Company is owner of the registered trade-mark "Kickernick" as applicable to garments manufactured by it.

January 29, 1935, Mrs. Neilson and the Winget Company filed a suit against S. S. Kresge Company and another suit against J. C. Penney Company, Incorporated. In each of these suits plaintiffs sought an injunction against infringement of the above patents and of the trade-mark and against unfair competition and for treble damages for wilful infringement and for damages for unfair competition. November 15, 1935, La Mode Garment Company (manufacturer of the garments sold by the defendants in the above two suits) brought suit, in the same court, seeking to enjoin further prosecution of the two above actions.

These three suits were consolidated for trial. In each of the infringement actions a decree was entered enjoining the defendant and the La Mode Garment Company from further infringement of the patents and the trade-mark, according recovery of profits and damages from them and referring determination of the amount of

profits and damages to a special master. In the action brought by the La Mode Garment Company, a decree was entered dismissing for want of equity. Separate appeals were taken from these three decrees and the appeals consolidated and heard upon a single record.

We shall first examine and determine the issues concerning the patents[1] and, thereafter, those concerning the trade-mark and unfair competition. We shall examine these patents separately.

Trade-Mark

Appellee Winget-Kickernick Company has a registered trade-mark of the word "Kickernick." Appellant La Mode Garment Company has a later registered trade-mark of the word "Kickaway." These marks are used by the respective owners in marketing their garments. Appellee charged infringement of its trade-mark by the use of "Kickaway" on the part of appellants and, also, unfair competition.

Appellants claim that these issues are foreclosed by an adjudication of the same issues in an action brought by the Winget against the La Mode in the Northern District of Illinois (*Winget-Kickernick Co.* v. *La Mode Garment Co.*, 42 F. [2d] 513) [26 T.-M. Rep. 569].

Appellees seek to avoid the force of this prior adverse adjudication on the grounds following: that the decision was based solely upon a comparison of the two trade-marks and without evidence of actual passing off of one garment for the other; that appellee Neilson was not a party to that action; that the court did not have before it La Mode garments like the accused or similar to those made under the Neilson patents; that information as to such La Mode garments was willfully withheld from the court, thus constituting a fraud upon the court; that the choice of "Kickaway" was a deliberate attempt to take advantage of a wide and expensive advertising of appellees' garments under the mark "Kickernick"

In the above case, Judge Lindley states the proposition presented by the complaint to be "that the defendant's trade-mark 'Kickaway' infringes and that by the use of the same defendant has been guilty

[1] *Note.*—That portion of the opinion relative to the patent infringement is here omitted.—Ed.

of unfair competition" (p. 514). After an exhaustive examination of authorities, he states his conclusion as follows:

> From an examination of these cases and the facts as they appear in the case at bar, I am of the opinion there is no probable confusion between the two trade-marks; that plaintiff is not entitled to monopoly in its alleged trade-mark; and that plaintiff's bill should be dismissed for want of equity at the plaintiff's costs.

No appeal was taken from the decree entered dismissing the complaint and it has become final.

Appellants rely upon *Rock Spring Distilling Co.* v. *W. A. Gaines & Co.*, 246 U. S. 312 [8 T.-M. Rep. 155], and *Kessler* v. *Eldred*, 206 U. S. 285, as stating the rule which, when applied here, results in establishment of the above decision in the Northern District of Illinois as determinative of the issues here of trade-mark infringement and of unfair competition. These cases are simply instances of the application of *res adjudicata* to trade-mark (Rock Spring case) and patent (Kessler case) infringement actions. The expressions and holdings in those cases are to be understood only as applying *res judicata*. Therefore, the question is one of the applicability here of *res judicata* as represented by the decision in the Northern District of Illinois.

As a starting point, we may take it that this decision of Judge Lindley is here applicable and governing, unless for one or more of the above reasons advanced by appellees (the Gaines and Kessler case, *supra*). The first reason urged by appellees in the decision was based on purely technical considerations and not in the light of evidence of actual passing off of Kickaway garments for Kickernick garments brought about by similarity of the trade-names used upon like kinds of garments. Careful consideration of the opinion of Judge Lindley and reading of the evidence before him (a part of this record) convinces that there was no evidence of actual confusion or palming off before the court. The decision dealt only with the bare words embodied in the two trade-marks. The court held "the ordinary word 'kick' " to be the basic word of the Winget mark; that monopoly thereof was restricted by prior usage in the art and by acquiescence in subsequent usage of other similar trade-names and trade-marks; that "there is no probable confusion between the two

profits and damages to a special master. In the action brought by the La Mode Garment Company, a decree was entered dismissing for want of equity. Separate appeals were taken from these three decrees and the appeals consolidated and heard upon a single record.

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No appeal was taken from the decree entered dismissing the complaint and it has become final.

Appellants rely upon *Rock Spring Distilling Co.* v. *W. A. Gaines & Co.*, 246 U. S. 312 [8 T.-M. Rep. 155], and *Kessler* v. *Eldred*, 206 U. S. 285, as stating the rule which, when applied here, results in establishment of the above decision in the Northern District of Illinois as determinative of the issues here of trade-mark infringement and of unfair competition. These cases are simply instances of the application of *res adjudicata* to trade-mark (Rock Spring case) and patent (Kessler case) infringement actions. The expressions and holdings in those cases are to be understood only as applying *res judicata*. Therefore, the question is one of the applicability here of *res judicata* as represented by the decision in the Northern District of Illinois.

As a starting point, we may take it that this decision of Judge Lindley is here applicable and governing, unless for one or more of the above reasons advanced by appellees (the Gaines and Kessler case, *supra*). The first reason urged by appellees in the decision was based on purely technical considerations and not in the light of evidence of actual passing off of Kickaway garments for Kickernick garments brought about by similarity of the trade-names used upon like kinds of garments. Careful consideration of the opinion of Judge Lindley and reading of the evidence before him (a part of this record) convinces that there was no evidence of actual confusion or palming off before the court. The decision dealt only with the bare words embodied in the two trade-marks. The court held "the ordinary word 'kick' " to be the basic word of the Winget mark; that monopoly thereof was restricted by prior usage in the art and by acquiescence in subsequent usage of other similar trade-names and trade-marks; that "there is no probable confusion between the two

trade-marks." The present record contains no evidence of a palming off on the retailers by La Mode, but it does contain substantial evidence of sales by clerks of appellant retailers of Kickaway garments to customers who asked for Kickernick garments. The situation seems to be that the similarity of names led or confused the clerks to think Kickaway was intended by the customer rather than there being a conscious fraud by the clerk.

The test whether a trade-mark is infringed has been several times stated by this court to be whether "an ordinarily prudent purchaser be liable to purchase the one, believing that he was purchasing the other" (*Reid, Murdock & Co.* v. *H. P. Coffee Co.*, 48 F. [2d] 817, 819 [21 T.-M. Rep. 172]; *certiorari* denied 284 U. S. 621; *Queen Mfg. Co.* v. *Isaac Ginsberg & Co.*, 25 F. [2d] 284, 287 [18 T.-M. Rep. 275]; *A. Y. McDonald & Morrison Mfg. Co.* v. *H. Mueller Mfg. Co.*, 183 Fed. 972, 974.) While there is no evidence here of deception of any customer (the purchases here being by agents of the Winget), yet it is certain that if clerks who sell a product are confused to the point of selling one article for another (as here), such is evidence of the probability of confusion by customers.

Judge Lindley had before him simply the words of the two trade-marks and therefrom determined the probability of deception of customers. He had no evidence of actual experience in the trade. Nor was such evidence then available so far as this record reveals. The evidence here was as to occurrences several years after that case was determined. While trade-mark infringement issues may be presented and determined on the basis of a bare comparison of the marks, yet it is evident that an entirely different situation is presented where the court has not only the marks before it but evidence of actual experience in the trade in the use thereof. Whatever the conclusion of the judge might be upon merely a comparison of the marks, clearly he must be governed by what he believes the evidence shows as to actual experience in the trade. It is the view of and effect upon the purchasing public which is determinative. From the additional evidence here, we might well surmise that had such evidence been before Judge Lindley he might have hesitated in

declaring no infringement. Yet this additional evidence is not a ground to avoid the effect of the adjudication by Judge Lindley. The issue there determined—infringement of the Kickernick trademark by Kickaway—is the identical issue here. *Res judicata* does not depend upon the evidence or the reasons supporting the earlier decision (*Southern Pacific Railroad Co.* v. *United States,* 168 U. S. 1, 52, 62; *Last Chance Mining Co.* v. *Tyler Mining Co.,* 157 U. S. 683, 691; *Fitch* v. *Stanton Twp.,* 190 Fed. 310, 314, C. C. A. 8). This idea has been expressed also as follows: that a former adjudication is a finality "not only as to every matter which was offered and received to sustain or defeat the claim or demand, but as to any other admissible matter which might have been offered for that purpose" (*Cromwell* v. *County of Sac.* 94 U. S. 351, 352).

Another reason urged by appellees against the force here of Judge Lindley's decision is a difference in parties, in that Mrs. Neilson, a plaintiff here, was not a party to the suit in the Illinois District. This is not well founded because, under the circumstances here, she is in privity with the Winget-Kickernick Company, the plaintiff in that action (*Rock Spring Distilling Co.* v. *W. A. Gaines & Co.,* 246 U. S. 312 [8 T.-M. Rep. 155]).

Another reason urged by appellees is that Judge Lindley did not have before him La Mode garments like those here accused. A related contention is that information of such garment was wilfully withheld from the court. Such consideration had no effect upon the decision of Judge Lindley, as is shown by his opinion. Moreover, the garments of La Mode before Judge Lindley were not so different from the Kickernick garments as to have had any influence upon his determination. The claim made there by counsel for Winget was that "the trade-marks are used on the same type of goods, not the old style bloomer, but the new style, full seat bloomer, and that is the only thing of any importance in this particular case."

The last reason advanced for avoiding Judge Lindley's decision is that "Kickaway" was deliberately chosen to take advantage of the extensive advertising of "Kickernick." This might have a direct effect upon the measure of damages recoverable under Section 96, Title 15 U. S. C. A., but it is no sufficient reason to deny application

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of the decision of Judge Lindley as a bar here. Relief is granted from trade-mark infringement, irrespective of the intent of the infringer (*Thaddeus Davids Co.* v. *Davids Mfg. Co.*, 233 U. S. 461, 471 [4 T.-M. Rep. 175]; *Queen Mfg. Co.* v. *Isaac Ginsberg & Bros.*, *supra.*

The result of what has been stated above concerning infringement of this trade-mark is that we hold (1) that the Winget-La Mode case is a bar here and (2) therefore, that "Kickaway" as applied to garments, such as bloomers and drawers, does not infringe the trade-mark "Kickernick."

Unfair Competition

Trade-mark law is properly a statutory branch of the broader law of unfair competition (*Hanover Star Milling Co.* v. *Metcalf*, 240 U. S. 403, 413 [6 T.-M. Rep. 149]; *Sweet Sixteen Co.* v. *Sweet "16" Shop*, 15 F. (2d) 920, 921, C. C. A. 8 [17 T.-M. Rep. 71]; *G. & C. Merriam Co.* v. *Saalfield*, 198 Fed. 369, 372, C. C. A. 6, affirmed 241 U. S. 22 [7 T.-M. Rep. 110]. From what has been stated above in discussing the evidence as to trade-mark infringement, it is evident that, irrespective of infringement, the record here sustains the finding and the decree as to existence of unfair competition.

Also, the decision of Judge Lindley is no bar here when the issues and the evidence before him are considered. Unfair competition was before him only in the sense that a claimed trade-mark infringement could be unfair competition. There was, before him, no evidence of actual unfair practices and he decided no issue of unfair competition of the character here involved.

The decrees in each of the two infringement actions were directed not only against the defendant therein but also against the La Mode Garment Company, which was not a nominal party in either action. It was made subject to the injunction and to the accounting for profits and for damages.

Appellant La Mode Garment Company contends that, not being a party to either of those actions, no decree could be entered against

it therein. This contention is sound. The relation of the La Mode to each of those actions was, at most, that of an indemnifying manufacturer which assumed the defense for its customer defendant. La Mode contends that it did not have such control over this defense as to bring it within the rule which makes an adjudication binding upon one, not a party, assuming a defense. Expressly, we do not examine nor determine whether appellant, La Mode, is so bound. In order to test the broad issue here, we will assume that the conduct of appellant was such as to make any determination against the defendant in each of these two actions binding upon it. Even so, the force thereof does not go beyond creating an estoppel in subsequent litigation between it and plaintiff concerning the same matters. This is merely to say that in some *subsequent* action the prior adjudication may be set up in estoppel as *res judicata.* It does not make it a party to the prior suit. This is directly ruled by *Merriam* v. *Saalfield,* 241 U. S. 22, 29, 31, 33. Also see *Souffront* v. *Compagnie des Sucereries,* 217 U. S. 475, 486; *Louisville & N. R.* v. *Schmidt,* 177 U. S. 230; *Gulf Smokeless Coal Co.* v. *Sutton, Steele and Steele,* 35 F. (2d) 433, 438 [3 U. S. P. Q. 82], C. C. A. 4, *certiorari* denied, 280 U. S. 609; *Gibson* v. *Eastern Rim and Wheel Co.,* 32 F. (2d) 774, 775, C. C. A. 3; *Freeman-Sweet Co.* v. *Luminous Unit Co.,* 264 Fed. 107, 109, C. C. A. 7, *certiorari* denied, 253 U. S. 486. There are some District Court and State decisions to the contrary (*Hoskins* v. *Hotel Randolph Co.,* 203 Iowa 1152, 211 N. W. 423, 65 A. L. R. 1125, and note p. 1134).

Appellees contend (1) that La Mode was made a party defendant because (they say) "the court entered its order consolidating the La Mode suit with the Kresge and Penney suits upon an express understanding that the La Mode Company was brought into the litigation as a party defendant to those suits to be bound by any decrees entered in them;" and (2) that, in the discussion out of which the consolidation order came, "counsel for La Mode in effect admitted that La Mode Company was before the court in a position to be adjudged an infringer of the patents in suit."

As to the first of these contentions. The action of La Mode (appeal No. 10,820) against appellees to enjoin prosecution of the

two infringement actions (appeals No. 10,818 and 10,819) was filed two days before those two suits were set for trial. When those two infringement cases were called for trial, La Mode insisted upon a ruling on its application for an order (in its action) temporarily enjoining the prosecution of the infringement suits. Thereupon, counsel for appellees stated he had prepared an answer to the petition of La Mode and proposed to file it and go to trial on all three suits together. He stated this would be done "but I make one condition, and that is that these gentlemen agree that any decrees that are entered in this case (the two infringement cases) shall actually be binding upon the La Mode Garment Company." He then asked and repeatedly asked counsel for La Mode to assent thereto. No assent was given but La Mode continued to insist upon a ruling on its application for temporary injunction and to oppose taking up of the infringement suits. The court then stated:

> The Court: Well, as the court understands the issues they are the same in the two cases that were set for trial, and substantially the same in the case that recently has been filed asking for a temporary injunction. The issues being substantially the same, the same parties in effect concerned, the court sees no reason why they should not be consolidated, the testimony may then be taken, and one trial will dispose of the three cases. An exception may be entered to the ruling of the court.

We find no basis in the record for the statement that the cases were consolidated with any understanding that La Mode would be subject to decrees entered in the infringement suits. There is an utter absence of consent thereto by La Mode. There is no appearance, as a party, therein. While the court in its findings, in the action brought by La Mode, finds that the answer therein was filed and the suits consolidated for trial upon condition that La Mode "be held as a party to said suits against said S. S. Kresge Company and J. C. Penney, Incorporated, and be bound by the decrees therein"; there is no basis for such finding in the record.

As to the second contention that counsel for La Mode made statements amounting to an admission that La Mode was subject to decrees in the two infringement cases. The language relied on is the accented portion of the following statement:

> We have filed a bill in equity in this court, and if Mr. Whiteley feels that he wants *a judgment against the La Mode Company, Equity Rule 30,*

I believe, covering the subject of counterclaims, gives him all the right in the world to bring his counterclaim against whom he claims is the nominal defendant in this case and the real defendant.

Far from amounting to the admission claimed, this statement is a clear indication—if not invitation—that if counsel for plaintiffs (appellees) in the infringement suits want to bind La Mode, the proper way is to file a counterclaim in the action brought by La Mode.

Another contention of appellees is as follows: The testimony terminated November 26, 1935, at which time the parties were given thirty, sixty and thirty days, respectively, after delivery of transcript of the evidence to file briefs. In the La Mode brief, counsel for appellees claims to have been first apprised that La Mode contended it would not be bound by decrees entered in the infringement suits. On April 14, 1936, counsel for appellees filed a "Motion to Amend Answer Nunc Pro Tunc" in the suit brought by La Mode.[2] The court took no action upon this motion and later (July 20, 1936) filed its findings and conclusions and entered decrees in the three cases. In this situation, appellees contend that, although the court did not act upon the motion, "the trial proceeded as if the amendment had been made, and the court considered the La Mode Company as a party defendant in the Kresge and Penney suits and held them as bound by the decrees."

The difficulty in acceding to this contention is that the trial court affirmatively demonstrates that it did not regard this amendment as

[2] Such motion was as follows:

Now come the defendants, Winget-Kickernick Company and Mary D. Neilson, and move the court:

1. That answer filed herein on November 18, 1935, be amended by adding thereto as a counterclaim all of the allegations of the complaint filed in the consolidated case Winget-Kickernick Company and Mary D. Neilson versus S. S. Kresge Company, Equity No. 2810, and Winget-Kickernick Company and Mary D. Neilson versus J. C. Penny Company, Inc., Equity No. 2811.

2. That said amendment be filed *nunc pro tunc* as of the date of the answer herein, to wit, November 18, 1935.

3. That answers heretofore filed on behalf of defendants in consolidated cases Winget-Kickernick Company and Mary D. Neilson versus S. S. Kresge Company, Equity 2810, and Winget-Kickernick Company and Mary D. Neilson versus J. C. Penny Company, Inc., Equity 2811, be received as answers to said counterclaim as of date November 18, 1935, and that all proofs made in support of said complaints and answers be available to plaintiff-respondent and to defendant-counterclaimant in support of and defense against said counterclaim.

made. The court ignored the motion to amend; made no findings, stated no conclusions and entered no decree according recovery in the La Mode suit; dismissed the action by La Mode; and held it liable in the decrees in the two infringement cases. The clearly stated and sole basis for including the La Mode in those two decrees was that it was subject thereto because counsel for plaintiffs therein had stated that he would file an answer in the La Mode suit and try the three cases together on condition that La Mode would consent to be subject to such decrees and that the answer was filed, the cases consolidated and the trials had under that condition. The fatal defect is that La Mode never consented to such condition and consistently opposed consolidation on any terms. The situation is that counsel for La Mode pointed out, before the trial began, that appellees might make it liable by filing a counterclaim, which appellees failed to do—going to trial on a bare answer to La Mode's petition; that La Mode did not accede to the request that it be subject to decrees in the infringement suits; that appellees and the court proceeded on the theory that La Mode would be so subject; that after the conclusion of the evidence, when appellees discovered La Mode contended otherwise, they sought to file the counterclaim they had refused or failed to file in time; that such counterclaim was never permitted made nor regarded as made by the court; that the court made no findings nor stated any conclusions in the La Mode case which would justify recovery against it therein; that it dismissed that action; that appellees have taken no appeal therefrom. In this situation, we think this contention must be denied.

The parties have argued many other matters. We need notice only one because none of the others affect the results as above stated. The one exception is the contention of appellants that appellees are barred by laches and equitable estoppel from bringing either of the infringement suits. The record here holds no basis for this contention and it is denied.

Conclusion

The results of the foregoing opinion are as follows:

In appeals No. 10,818 and No. 10,819, the cases will be remanded with instructions to set aside the respective decrees and enter in

lieu thereof decrees determining non-infringement of the patents, non-infringement of the trade-mark, and unfair competition as to the respective defendants S. S. Kresge Company and J. C. Penney Company, Incorporated, and ordering injunction and accounting against such on account of such unfair competition. In appeal No. 10,820, the decree is affirmed.

Costs in the consolidated cases, both in the trial court and in this court, to be assessed on the basis of two-thirds against appellants and one-third against appellees.

RENAUD SALES COMPANY, INC. v. DAVIS, doing business as RENAUD ET CIE

United States District Court, District of Massachusetts

March 18, 1938

TRADE-MARKS—INFRINGEMENT—"RENAUD" ON PERFUMES—SUITS—DEFENSE OF FRAUD AND MISREPRESENTATION.

Plaintiff, successor by assignment to the original and sole American representative of Renaud—Paris—1817, S.A. *held* guilty of misrepresentation and fraud on the public by selling without explanation "Renaud" perfumes, formerly sold at $10.00 an ounce, for one-eighth of that price. Plaintiff's action to enjoin defendant from the use of the name "Renaud" as a trade-mark was, accordingly, dismissed.

TRADE-MARKS—"RENAUD" ON PERFUMES—RIGHT TO USE.

The use by defendant of the name "Renaud" on perfumes, after the name had been adopted and registered as a trade-mark by plaintiff's predecessor in business *held* without right and a fraud on the public.

In equity. Action for trade-mark infringement. Bill dismissed.

Arthur D. Thomson, of Boston, Mass., *Munn, Anderson* and *Liddy,* and *John H. Glaccum,* all of New York City, for plaintiff.

John W. Walsh and *Harry Ehrlich,* both of Boston, Mass., for defendant.

SWEENEY, D. J.: This is a suit in equity based upon an alleged infringement of a trade-mark, and on unfair competition, wherein the plaintiff seeks to enjoin the defendant from further infringement and unfair competition, to enjoin him from the use of the

name "Renaud," and representations that the defendant is in any way connected with the Société Anonyme Renaud Paris 1817. The defendant denies the infringement and unfair competition, and asserts that the plaintiff is not entitled to relief in a court of equity, because the use by the plaintiff of the trade-mark relied on constitutes a fraud on the public. A temporary injunction has been granted *pendente lite,* and the plaintiff has filed a bond conditioned on the payment to the defendant of $2,000 as liquidated damages, and such further sum up to $4,000 as shall be proved to be the defendant's actual damage, if the injunction referred to ought not to have issued.

Findings of Fact

Renaud-Paris-1817, S. A. are perfumers of international reputation. The defendant caused to be organized in the United States a corporation under the title of Renaud et Cie of America, and it was constituted by Renaud-Paris-1817, S. A. as the sole and exclusive agents to handle and distribute the wares of Renaud-Paris-1817, S. A. in the United States. The Massachusetts corporation caused to be registered in the United States Patent Office the name "Renaud" on October 13, 1925, and was the owner of such trade-mark. On July 15, 1934, Renaud et Cie made an assignment for the benefit of their creditors to Raymond Lillie and Henry E. Kingman. The assignees sold all of the assets, including the trade-mark, on August 31, 1934, to one Morin. Thereafter Morin conveyed these assets, including the trade-mark "Renaud" to the plaintiff. Notwithstanding these transfers, in April of 1936, the defendant adopted the name Renaud et Cie, and filed a certificate of notice that he was personally doing business under that name and style. Prior to the assignment for the benefit of creditors, Renaud et Cie had acted as the American representative for Renaud of Paris, and had put their product on the American market where it received a well defined reputation. The bulk of the business at that time centered around one or two perfumes which had achieved great popularity. One of these was a fragrance known as "sweet pea." Customarily it purchased the perfume from Paris in bulk, and bottled it at its American

plant, making little, if any, changes in the article received from France.

After the plaintiff's predecessor in title Morin became the owner of the assets of Renaud et Cie, which included the trade-mark "Renaud," he entered into a contract with Renaud-Paris-1817, S. A., whereby Renaud of Paris conveyed to him all of its right, title and interest in and to its business in the United States, and the trade-mark "Renaud." On April 27, 1936, Morin assigned this contract to the plaintiff.

Prior to its assignment for the benefit of creditors, the perfume put out by Renaud et Cie was a high-grade perfume retailing at about $10 an ounce in some instances. After the plaintiff secured the assets of Renaud et Cie, it commenced to put up a perfume with all of the markings of the old Renaud perfume, but at a greatly reduced price. It sold quarter ounce bottles of its product for as little as thirty-nine cents. The same trade-mark markings were used on the old Renaud perfume, and in no way was the attention of the public called to the fact that there had been any change either in the place of origin or the ownership of the concern manufacturing the perfume. The public therefore had a right to believe that the new and cheaper perfume was the same perfume that had previously been purchased at higher prices. The plaintiff's ability to sell the perfume at a greatly reduced price was brought about by a remixing of the essence obtained from France with suitable oils and alcohol whereby a much greater volume was obtained with the same amount of floral essence. A comparison between the two perfumes would disclose, even to the writer of this opinion who has no pretention to a knowledge of perfume bouquets, a vast difference in the two products. No intimation of any difference in the product was made by the plaintiff to the public. Any member of the purchasing public buying the plaintiff's perfume, from the markings contained on the bottle and on the package, would have no reason to suspect that the perfume that she was buying was of a lesser quality than the old Renaud perfume. Such conduct on the part of the plaintiff constituted a fraud on the public.

Conclusions of Law

In *Beckwith* v. *Commissioner of Patents,* 252 U. S. 538, 543 [10 T.-M. Rep. 255], the court stated: ". . . . the function of a trade-mark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied, and words merely descriptive of qualities, ingredients, or characteristics, when used alone do not do this." The use of the identical label, with nothing else appearing on the bottle, on which was stamped the words "Renaud-Paris-1817" would lead the public to believe that this was a perfume manufactured by the well known Renaud firm of Paris, and that the product and quality were the same which the public had been receiving under the old label. This was a misrepresentation on the part of the plaintiff constituting a fraud upon the public.

The fact that Renaud-Paris-1817, S. A., by its agreement with the plaintiff's predecessor in title Morin in April of 1936, apparently authorized such conduct as has guided the plaintiff in purveying the cheaper brand of perfume does not strengthen the plaintiff's position. In *Federal Trade Commission* v. *Winsted Co.,* 258 U. S. 483, 494 [11 T.-M. Rep. 277], the court said: "That a person is a wrongdoer who so furnishes another with the means of consummating a fraud has long been a part of the law of unfair competition." As a misrepresentation of the quality and the place of origin, as well as the manufacturer, of the perfume has been made to the public, it constitutes such a fraud on the public as will bar the plaintiff's right to relief in a court of equity. In *Manhattan Medicine Company* v. *Wood,* 108 U. S. 218, the court stated, at page 222, that:

> A court of equity will extend no aid to sustain a claim to a trade-mark of an article, which is put forth with a misrepresentation to the public as to the manufacturer of the article, and as to the place where it is manufactured, both of which particulars were originally circumstances to guide the purchaser of the medicine.

See, also, *Peters* v. *McDonald,* 5 F. Supp. 692, 694; *Recamier Mfg. Co. v. Harriet Hubbard Ayer, Inc.,* 59 F. (2d) 802, 808 [22 T.-M. Rep. 180]; *Gynex Corporation* v. *Dilex Institute,* 85 F. (2d) 103, 106.

The penalty in the bond filed in this case provides for the payment of between $2,000 and $4,000 to the defendant "if it should turn out after the hearing on the merits that the temporary injunction about to issue ought not to have issued." The defendant Davis is using the name "Renaud" without the slightest bit of authority to do so. Any rights that Renaud et Cie, the old Massachusetts corporation, had in the use of the name "Renaud" were lost on the sale by the assignees of that corporation of all its assets, including the trade-mark, to Morin. Such use as the defendant now makes of the name "Renaud et Cie" as the name and style under which he is doing business is a deliberate attempt to convince the public that he, Davis, still represents the old Renaud people of France. The use of the name "Renaud" in connection with his perfumes, also, is misrepresentation and fraud. Clearly, the temporary injunction which was issued *pendente lite* should have issued, and would be made permanent by this court if the plaintiff had the standing to seek the enforcement of such a right. I therefore find and rule that the temporary injunction issued in this case should have issued, and that the penalty provided in that bond is not due. The bond is therefore ordered dissolved, as is the temporary injunction against the defendant. Any and all agreements entered into between the parties *pendente lite* are also terminated. Solely on the basis of the plaintiff's unclean hands, I find and rule that the plaintiff is barred from obtaining in a court of equity the relief which it seeks. The court will leave the parties where it found them.

A decree dismissing the bill may be submitted.

STRANSKY PRODUCTS CORPORATION v. E. H. TATE MOP & CORDAGE COMPANY

(22 F. Supp. 759)

United States District Court, District of Massachusetts

March 11, 1938

UNFAIR COMPETITION—"EVERGRIP" AND "BULL DOG" ON PICTURE HANGERS—NON-CONFLICTING MARKS.

A trade-mark consisting of the word "Evergrip" *held* not to be confusingly similar to a trade-mark consisting of the name "Bull Dog" and the picture of a bulldog, both marks being used on picture hangers. Moreover, as the cards used in marketing the respective hangers were dissimilar in appearance, there was no unfair competition.

In equity. Suit for alleged infringement of patent and unfair competition. Bill dismissed.

Nathan Heard and *Frederick A. Tennant,* both of Boston Mass., and *Thomas Ewing* and *George L. Wheelock,* both of New York City, for plaintiff.

Herbert A. Baker, of Boston, Mass., for defendant.

SWEENEY, D. J.: This is a suit in equity in which the petitioner seeks damages for an alleged infringement of patent No. 1,581,886, and for unfair competition. The respondent's answer sets up the invalidity of the patent relied on, denies infringement, and denies unfair competition.

As to the question of unfair competition, the petitioner relies on the fact that the respondent has taken away a great deal of its business, and says that this results from the great similarity in the two articles. The respondent admits securing a great volume of business, but says that this naturally follows from the superior display card that it has, rather than from any similarity between the two.

The petitioner uses the name "Evergrip" to describe its article, whereas the respondent uses the name "Bull Dog" with a full facial picture of a bull dog prominently shown on its card. The petition-

N. B.—That portion of the opinion relating to the patent infringement is here omitted.—ED.

er's card is a yellow and black card, whereas the respondent's is red and white. In selling their articles, both the petitioner and the respondent prominently show on the face of their cards the weight that the device will safely sustain. As these devices are made in various sizes, no significance is attached to this similarity. On the reverse side of the cards are directions for using the article shown on the display card. While the wording of these directions is almost identical on both cards, I cannot find that the similarity would in any way affect the sales of the articles. The directions are the simple directions necessary and incidental to the use of both articles, and read as follows: "Place hangers flat against wall. Insert nail though both ears and drive with hammer."

There is no similarity between the two that would lead the public into buying the respondent's goods under the assumption that they were buying the petitioner's. See *Goldsmith Silver Co.* v. *Savage*, 1st Cir., 229 F. 623. The respondent uses numbers similar to the display numbers used by the petitioner, but as these numbers are purely for the convenience of store buyers, and are descriptive of the number and kind of goods contained on the card to be utilized for the purpose of reordering, I cannot say that such similarity would in any way affect the public, nor can I find that the petitioner has the exclusive right to the use of such obviously descriptive numbers. I cannot find an intent on the part of the respondent to palm off its goods on the public as those of the petitioner, nor do I find anything that constitutes unfair competition. The bill is therefore dismissed.

The petitioner's requests for conclusions of law numbers 2, 3, 4, 5, 6, 7, and 8 are denied.

E. I. Du Pont de Nemours & Co., Inc. v. Dupont Fuel Oil Burner, Inc.

United States District Court, Eastern District of New York

April 8, 1938

Trade-Marks—Suits—Pleading and Practice.

If questions of fact are presented that require a trial because of their materiality, they should not be decided on affidavits or motions. Whether, therefore, the trade-mark "Dupont" has acquired a secondary meaning, as alleged by plaintiff, is a mixed question of law and fact and should not be determined upon affidavits.

Trade-Marks—Goods of Same Descriptive Properties—Bearing of Patent Office Classification.

The question of whether or not the goods of the parties are of the same descriptive properties is not determined by the patent office classification, but is a question of fact.

Trade-Marks—Registration—Validity.

The question of whether or not plaintiff's trade-mark registrations are valid is an issue of fact, and not of law. The complaint, therefore, could not be dismissed on that ground.

Unfair Competition—Confusion of the Public as to Goods.

As opposed to defendants contention that the parties are not in competition and hence there is no unfair competition, the real question *held* to be whether, by reason of an unjustifiable act, defendants' goods will probably be accepted by the public as the goods of plaintiff.

In equity. On defendant's motion to dismiss bill of complaint. Denied.

Nims & Verdi (*Stewart W. Richards,* of counsel), all of New York City, for plaintiff.

Jack Gross (*Curley C. Hofpauir,* of counsel), of New York City, for defendant.

Campbell, D. J.: This is a motion made by the defendants to dismiss the Bill of Complaint herein.

This suit is brought for alleged trade-mark infringement and unfair competition. Issue has been joined herein. Four defendants are named and three of them have been served. The defendant, Lillian Bagelly, was not served.

For many years plaintiff has manufactured and sold throughout the United States, a wide variety of products for use in the household as well as in practically every line of industry, under the well known trade-mark "Dupont" alone, and within an oval border.

The defendant, Dupont Fuel Oil Burner, Inc., sells in interstate commerce, oil burners, under the trade-mark "Dupont," alone, and within an oval border.

The defendant, Herman Bagelly, is the president of the corporate defendant, Dupont Fuel Oil Burner, Inc., and the defendant, Morris MacSchwebel, admits that he was an incorporator and dummy director. Both of said individual defendants are charged with directing and controlling the corporate defendant, Dupont Fuel Oil Burner, Inc.

This being a motion to dismiss the complaint, the motion to dismiss must be denied, unless it be disclosed clearly that on the allegations of the bill, it must be dismissed. *Kansas* v. *Colorado,* 185 U. S. 125; *Ralston Steel Car Co.* v. *National Dump Car Co.,* 222 Fed. 590; *Geiger* v. *First-Troy Nat. Bank and Trust Co. of Troy, Ohio,* 30 F. (2d) 7, 9.

If a case for any relief is presented upon the face of the bill, it will not be denied. *Geiger* v. *First-Troy Nat. Bank & Trust Co. of Troy, Ohio, supra.*

If questions of fact are presented, requiring a trial because of their materiality, they should not be decided on affidavits and on motions. *Andrew Jergens Co.* v. *Bonded Products Corporation,* 9 F. (2d) 114, 116 [17 T.-M. Rep. 363].

Defendant contends that the bill should be dismissed on the following grounds:

1. "Dupont" does not identify plaintiff exclusively;
2. The goods of the parties are not of the same descriptive properties;
3. Plaintiff's trade-mark registrations are invalid;
4. Defendants do not compete with plaintiff, therefore there can be no unfair competition.

The first ground stated by the defendants does not, under the pleading, present a question of law, but one of mixed law and fact. Plaintiff has properly alleged secondary meaning of the trade-mark "Dupont" in paragraph 5 of the bill, therefore, the question raised, should not be determined upon affidavits or motions. *Stromberg Motor Devices Co.* v. *Holley Bros. Co.,* 260 Fed. 220, 221. The cases of *Pabst Brewing Co.* v. *Decatur Brewing Co., et al.,* 284 Fed. 110 [13 T.-M. Rep. 1]; *Mason, Au & Magenheimer Confectionery*

Co. v. *Loose-Wiles Biscuit Co.*, 1 Fed. Supp. 755, cited on behalf of the defendants, are not in point.

As to the second ground of objection, the question whether the goods manufactured by the respective parties are goods of the same descriptive properties is not determined by any Patent Office classification, but is a question of fact, and the allegations of the complaint are sufficient to tender that issue.

In my opinion in *Holt* v. *Metropolitan Refining Co., Inc.*, 9 Fed. Supp. 662 [25 T.-M. Rep. 234], I cited many of the leading cases on this subject, and I see no necessity for repeating them here, as it seems to me that the allegations of the complaint are amply sufficient, to tender the issue of whether the goods of the respective parties are of substantially the same descriptive properties. Therefore, the complaint should not be dismissed on that ground.

As to the third ground stated, it seems to me that the allegations of the complaint, coupled with the fact, that a certificate of United States registration of trade-mark is *prima-facie* proof of the validity of the mark, tenders an issue of fact and not of law and the complaint cannot be dismissed on that ground.

As to the fourth ground, it seems to me that defendant contends for too narrow a construction of what is unfair competition. The real question, is, whether by reason of an unjustifiable act, the goods of the defendant will probably be accepted by the purchasing public, as the goods of the plaintiff, and under the allegations of the complaint, that issue is tendered.

The motion to dismiss the complaint is denied.

E. I. Du Pont de Nemours & Company, Incorporated v. Dupont Fuel Oil Burner, Inc., et al.

District Court, Eastern District of New York

April 8, 1938

Trade-Marks—Infringement—Suits—Pleading and Practice—Interrogatories.

Interrogatories are in support of plaintiff's allegations of confusion, defendant's intent, deception of purchasers and purpose of defendant's in using name "Dupont," and if the individual defendants have any knowledge with reference thereto, they should be answered.

On objection of defendants to plaintiff's interrogatories.

Nims & Verdi (*Stewart W. Richards,* of counsel), all of New York City, for plaintiff.

Jack Gross (*Curley C. Hoffpauir,* of counsel), of New York City, for defendants.

Campbell, D. J.: This is a hearing on objections filed by the defendants herein, Dupont Fuel Oil Burner, Inc., and Herman Bagelly, to interrogatories served upon them by plaintiff.

I will consider them, as to each defendant, separately.

Interrogatories Propounded to Corporate Defendant, Dupont Fuel Oil Burner, Inc.

The objections to Interrogatories 6, 7 and 8 need no further consideration, as these interrogatories have been withdrawn by the plaintiff.

Interrogatory No. 10 bears on the intent of the defendant to infringe, and is material. It must be answered.

Interrogatory No. 12 is material, on the question of intent and on the contention of the plaintiff, that there was fraud surrounding the defendant's adoption of the word "Dupont." It must be answered.

Interrogatories 13, 14 and 15 require no further consideration, as the motion to dismiss the bill having been denied, I understand defendant has withdrawn its objection to these interrogatories, and they must be answered.

Interrogatories 16, 17 and 18 are material, on the question of the purchasers being deceived and must be answered.

Interrogatories 19 to 35 inclusive seem to me to be material on the question of intent and the underlying purpose of the defendants in adopting and using the name "Dupont" must be answered.

Interrogatories 36 to 61 inclusive are material in support of the plaintiff's allegations of the complaint, that defendants, Herman Bagelly and Morris Mac Schwebel, direct and control the corporate defendant, Dupont Fuel Oil Burners, Inc., and are responsible for its acts. The burden is on the plaintiff to establish these facts as a part of its affirmative case, and whether the individual defendants are officers, directors or stockholders and the percentage of voting stock control of each of them has a direct bearing upon the question of their responsibility. These interrogatories must be answered.

Interrogatories 62 and 65 inclusive, relate to the existence of a person named, Dupont, connected with the defendant and for the reasons assigned, as to Interrogatories 19 to 35 inclusive, they should be answered.

Interrogatories Propounded to Herman Bagelly by the Plaintiff

Interrogatories 12, 13 and 14 are in support of plaintiff's allegations of confusion and if the individual defendants have any knowledge with reference thereto, they should be answered.

The objections of the defendant, Dupont Fuel Oil Burner, Inc., to all interrogatories except No. 6, 7 and 8 are overruled, and it is required to answer the same.

The objections of the defendant, Herman Bagelly to all interrogatories are overruled and the defendant is required to answer the same.

Settle order on notice.

IRENE BEAUTY SHOPPE, INC. v. MISS IRENE, INC.

New York Supreme Court, Appellate Division

April 14, 1938

UNFAIR COMPETITION—USE OF SIMILAR TRADE-NAME—"IRENE" ON BEAUTY PARLOR.

In an action to restrain use by defendant of the name "Irene" for a beauty parlor located five miles from plaintiff's similar establishment of that name, *held* that, inasmuch as there was no secondary meaning shown nor any evidence of confusion in the public, the complaint should be dismissed.

In equity. Action for alleged unfair competition. From a decision in favor of plaintiff, defendant appeals. Reversed.

Joseph W. Freifeld, of New York City, for appellant.

Arthur J. Homans, of counsel (*Samuel J. DuBoff,* attorney), both of New York City, for respondent.

DORE, J.: In this action for a permanent injunction based on alleged unfair competition no fraud or bad faith on defendant's part was established in connection with the original acquisition or retention of the name, nor was any simulation shown of the appearance of plaintiff's shop or similarity in script or design of the type in which the names appear. Defendant's beauty parlor is located in New York city five miles from the plaintiff's establishment and has a local trade of its own. No confusion of customers was shown and not a single witness produced who had been misled. Plaintiff also wholly failed to establish any secondary meaning within the metropolitan area attached to the name Irene as used by plaintiff to entitle it to the exclusive right to its use.

In this record we find no evidence of any unfair or dishonest use by defendant of its name or of any resort to artifice or deceit to mislead the public or cause confusion as to the identity of the respective businesses of plaintiff and defendant, nor any proof that defendant was palming off its goods or services as those of plaintiff or that unfair methods were adopted by defendant or its employees. (*Romeike, Inc.* v. *Romeike & Co., Inc.,* 179 App. Div. 712 [9 T.-M. Rep. 386]). A similar prior action brought by this plaintiff against

this defendant was dismissed by this court for failure to prosecute. (*Irene Beauty Shoppe, Inc.* v. *Miss Irene,* 250 App. Div. 747.) The record is devoid of facts sufficient to warrant any injunction on the theory of unfair competition.

The judgment should be reversed, with costs, and judgment directed in favor of defendant dismissing the complaint, with costs.

MARTIN, P. J., O'MALLEY, COHN and CALLAHAN, JJ., concur.

Judgment unanimously reversed, with costs, and judgment directed in favor of the defendant dismissing the complaint, with costs. Settle order on notice, reversing findings inconsistent with this determination, and containing such new findings of fact proved upon the trial as are necessary to sustain the judgment hereby awarded.

NATIONAL DISTILLERS PRODUCTS CORP. v. COLUMBUS CIRCLE LIQUOR STORES, INC.

New York Supreme Court, Special Term, New York County

January 14, 1938

UNFAIR COMPETITION—FAIR TRADE ACTS, NEW YORK—DEFENSES—FAILURE TO ENJOIN OTHER RETAILERS.

Inasmuch as Chap. 976, laws of 1935 is wholly permissive, the plaintiff's failure to sue in one instance *held* not to deprive him of the right in another. That the statute creates such inequities is no ground for a court's refusal to enforce it.

In equity. Motion for temporary injunction in action to enjoin defendant from violating fair trade agreements. Motion granted.

Breed, Abbott & Morgan, of New York City, for plaintiff.

Samuel J. Siegel, of New York City, for defendant.

STEUER, J.: On this application for a temporary injunction only one point is raised. It is argued that plaintiff is not entitled to the relief it seeks because it has failed to enjoin other retailers who are also violating the fair trade agreements. Defendant did not sign a fair trade agreement, but admits receiving notice and cutting

prices. There is no doubt that an issue was raised which, if material, is sufficient to defeat this application. There is nothing in the Fair Trade Act (Laws of 1935, chap. 976; McKinney's Unconsol. laws, §§ 2201-2205) which compels the owner of a trade-marked product to take any action to protect price levels. The statute is wholly permissive, and allows him to do so if he chooses. Under these circumstances it is difficult to see how his failure to act in one instance can deprive him of his rights in another. The familiar answer to defendant's argument, namely, that it is impossible to restrain all violators simultaneously, is not the controlling factor. Defendant has alleged sufficient to raise an issue whether plaintiff's actions are not intentional in requiring certain dealers to maintain prices and allowing others to do as they please. Assuming that this is so, the resulting situation is created by the statute and is a consequence of the powers granted under it. The fact that the statute creates inequities is not a ground for a court's refusal to enforce it. The remedy lies with the Legislature.

The motion is granted. Submit bond in the sum of $1,500.

WHITMAN PUBLISHING CO. v. MCLOUGHLIN BROS., INC.

United States Court of Customs and Patent Appeals

Interference No. 2,615

June 27, 1938

TRADE-MARKS—INTERFERENCE—"THE BIG LITTLE BOOK" AND "THE LITTLE BIG BOOKS"—SERIAL V. NON-SERIAL PUBLICATION—RIGHT TO REGISTER.

In an interference proceeding where appellant established first use of the mark "The Big Little Book" for a series of books as of December 12, 1932, whereas appellee's first use of the mark "The Little Big Books" on a similar series began in December, 1928, *held* that, notwithstanding that appellee's original title and subject matter originated in England and were not copyrighted in the United States, it nevertheless has the right to register the said title as a trade-mark, irrespective of whether or not it was used on a series of books or merely on a completed book.

On appeal from a decision of the Commissioner of Patents in an interference proceeding. Affirmed. For the Commissioner's decision, see 27 T.-M. Rep. 355.

A. H. Dowell, of Washington, D. C., and *Edward S. Rogers,* of Chicago, Ill., for appellant.

Edmund H. Parry, of Washington, D. C., for appellee.

GARRETT, P. J.: This is an interference proceeding involving applications for the registration of a trade-mark in the United States Patent Office. It comes to us by appeal from a decision of the Commissioner of Patents, speaking through the Assistant Commissioner, awarding priority to appellee. The Commissioner's decision reversed that of the Examiner of Interferences who dissolved the interference without ruling upon the question of priority.

The mark which appellant seeks to register is "The Big Little Book" for use on "a series of books published from time to time." Its application was filed October 19, 1934, and alleged continuous use "since about December 12, 1932."

It is stated in the briefs for both parties that following the official publication of the mark of appellant an opposition was filed by appellee on the same date, March 29, 1935, that it filed its application for registration, and that opposition proceedings were suspended pending the determination of the interference which was formally declared July 3, 1935.

The mark for which appellee makes application is "The Little Big Books," printed in somewhat fanciful type. It is used on the same kind of articles as those upon which the mark of appellant is used, and the application alleges continuous use "since December 26, 1928."

In both applications there are disclaimers as to the word "Books" apart from the mark shown, and both state, in substance, that no claim is made to the words "Little" and "Big" except in combination with each other. The record discloses that use of the marks by both parties so far has been on books for children and that the marks are affixed in addition to the individual titles of such

books, being applied to the individual book and, in the case of appellee, to "sets" of such books put up in package form.

Concededly, the marks are confusingly similar and are applied to articles of the same descriptive properties; also, as we understand it, appellee is conceded to have been the first user, but its ownership of the mark is challenged for reasons hereinafter stated.

Taking up first the activities of appellee, it appears from the record that in 1928 it issued a set of twelve books, each book having an individual title, such, respectively, as "Little Stories for Little People"; "Little Rhymes for Little People"; "The House that Danny Built," etc. In addition to the individual title, each book bore on its front cover the imprint "The Little Big Books." An exhibit consisting of a set of twelve books, introduced in evidence, shows them contained in a cardboard box with hinged covers, upon which covers the quoted imprint also appears. The books, printed in 1928, began to go on the market in 1929 and it appears that there were reprints in 1929, 1930, and 1931, 120,000 being issued in each of those years.

In 1932 no edition was issued. In 1933 an edition was issued in which a different type of paper was used. In 1934 and 1935, as we understand the testimony, there were editions in which as many as four of the volumes theretofore bound separately were consolidated in a single volume, and there is a claim that certain textual changes were made, and certain stories added.

The brief for appellant summarizes its activities as follows:

> In December, 1932, Whitman prepared a series of books for children which were unique in subject matter, style and format. These books were short and thick, with small fat pages and were designed to fit the hand of a child. The subject matter was patterned after the familiar newspaper comic strips with an illustration opposite each printed page, and like the comic strips, there is a change in each issue. . . . This creation was unique and the books immediately obtained a large sale. They were designated "The Big Little Books." . . . . The extent of the business in them is indicated by the fact that there has been a total of 26,861,533 copies sold. The average per year has been 8,750,000 copies. . . . The subject matter of the books is constantly changing, about three titles a month being put out. . . . All, however, are designated "Big Little Books" which is the trade-mark for the Whitman books as distinguished from the title of the particular volume. The Whitman books are sold generally throughout the country and are

always designated as the "Big Little Books." This is the mark Whitman seeks to register. It is a mark which in fact distinguishes Whitman's goods.

It may be added that several of the books issued by appellant were filed as exhibits. Each of these bears an individual title. Some of the respective titles are "Dick Tracy," "Skippy," "Little Orphan Annie," "Moon Mullins." Each volume has on its outside cover the imprint "The Big Little Book." It is shown by another exhibit that more than 100 different books had been issued by appellant up to the time of the taking of its testimony. Whether ever sold in sets packed in the manner in which appellee sometimes packed its books, with the mark affixed to its package, does not appear, nor is this deemed material.

One phase of the case which was not referred to in either of the decisions of the tribunals of the Patent Office (it evidently not being thought necessary by them to consider it under their respective theories as to the law applicable to the controversy) is the subject of a very earnest contention made before us by appellant, and it appears proper for us to consider it.

Briefly stated, it appears that the subject matter of the set of books printed by appellee in 1928, and reprinted in subsequent years as above described, originated in England; that it was the work of English writers, and that it was printed in England by the Oxford University Press. It further appears that the titles of the individual books so issued in England were the same as the titles given them in the print and reprints by appellee in the United States, and, upon the whole (although the evidence is not conclusive upon this point), we think it fairly may be assumed that the individual volumes and the sets issued in England also bore the imprint "The Little Big Books," applied to them by appellee in its print and reprints in the United States.

There is no evidence that any of the books so printed in England were ever imported into the United States and here sold or offered for sale, nor is there any evidence that the English authors or English publisher ever sought or procured a United States copyright on them. Indeed, there is no evidence that they were ever copyrighted in England. When appellee issued them it did copyright them in

the United States. At least, the volumes filed as exhibits bear a copyright imprint. Based upon these facts, appellant, as its primary contention before us, alleges that appellee is met at the threshold by an "insuperable obstacle . . . . which effectively prevents any decision" in its favor. Appellant's brief says:

> . . . . Both the name, which McLoughlin is seeking to register, and the books to which the name has been applied were appropriated by McLoughlin without authority from a set of books written by Mr. and Mrs. L'Estrang and published by the Oxford University Press. The pirated books were copyrighted by McLoughlin upon an application falsely asserting its employee Miller to be the author. This is unclean hands as a matter of law and prevents any decision in McLoughlin's favor. We shall therefore discuss in this brief two questions: (1) McLoughlin's standing to be heard and (2) the fact that McLoughlin's alleged trade-mark is not applied to a series of books published periodically as the application asserts but is the title of a complete work not added to from time to time and hence is not registrable under the Trade-Mark Act.
>
> It is Whitman's contention that McLoughlin is not in court with clean hands and also that if Whitman were not in the case at all, McLoughlin still would not be entitled to a registration because, without reference to its inequitable conduct which prevents any consideration of whatever rights it might otherwise have, it cannot qualify under the statute and has no trade-mark to register.

The issue of "unclean hands" so raised, we think, may be disposed of without lengthy discussion by us. It is not seen how the matter of appellee's title to the copyright can be determined in this proceeding, nor is it seen how this matter can affect appellee's right to register a trade-mark. The Patent Office has no jurisdiction over copyright matters, nor has this court. It must be borne in mind that no English concern is here complaining with respect to appellee's activities, either at the time it first began to print the books bearing the mark, or at any subsequent time. It is true that appellant introduced testimony to the effect that it acquired "The American rights" of the Oxford University Press, but that was at a period subsequent to the institution of the interference and long after appellee's activities began. It is really difficult to say just what "American rights," in any way involved here, appellant obtained. It is clear that Oxford University Press never had any United States copyright, nor any United States trade-mark to convey, and the right of registration of the latter is all that is here involved.

It is suggested by appellant that appellee's conduct in reprinting the English books and copyrighting them was unethical. This requires no expression of opinion by us. The acts were not legally improper, so far as anything in the record discloses, and the activities of appellee in this regard are not in themselves deemed to be of a character which should deprive it of the right to claim ownership of the mark.

The gist of the holding by the Examiner of Interferences, embraced in two decisions (the last decision being upon an application for rehearing), was that, in the case of appellee, the series of books issued by it was complete at the time of the print in 1928, and that the phrase "The Little Big Books" had become a mere title to the subject matter. In his second decision, the Examiner of Interferences said:

> . . . . The Examiner's [original] decision was based primarily upon the subject matter contained in the junior party's [appellee's] Exhibit No. 1, which the record clearly shows was sold by latter continuously beginning in 1928 and continuing to 1934, a period of six years. During all of this time the subject matter was not varied in any way and it is believed was clearly in the public domain except in so far as the junior party may have obtained a valid copyright of this subject matter. During all this period of time, to wit: from 1928 to 1934, there was nothing either in this subject matter itself or in any acts of the junior party to apprise the public that this subject matter was not complete. As to this subject matter, the title "The Little Big Books" was, for reasons fully stated in the decision dated May 25, 1936, clearly and directly descriptive thereof.

On the other hand, the Examiner of Interferences held that the subject matter of appellant's publication was not complete prior to 1934 "but was distinctly a serial publication of which the public was amply apprised upon the face thereof, in much the same way as is a comic supplement in a newspaper. . . ."

It was found by the Examiner of Interferences that in editions issued by appellee in 1934 certain stories were added to those included in its editions of prior years, but this was held to be immaterial inasmuch as appellant had entered the field in 1932, after appellee's print had become "complete."

The Examiner of Interferences further declared:

> In this Office the titles to printed publications are registered if, as, and when it appears that the subject matter is not complete. Since it appears herein from the testimony that the subject matter of the printed publica-

tion constituting the merchandise of the application of McLoughlin Bros., Inc., was complete long prior to the date of filing thereof, it follows that this application was and is not *prima facie* allowable. More specifically, the title to the printed publication is incapable of exclusive use as a trade-mark by this applicant.

The Commissioner, after first holding it to be immaterial, in his opinion, whether appellee made the additions to the text of the editions issued by appellee in 1934, said:

> I can perceive no reason why a trade-mark may not properly be applied to a book, or to a compete collection of books, just as it may be applied to a serial publication, or to any other article of merchandise. It is true, of course, as was held in the case of *In re The Page Co.*, 47 App. D. C. 195, that the title of a particular book may not also function as a trade-mark for that book, or for a set or series in which it is included; but that situation is not presented here. As already noted, each of appellant's books bears its individual title, and it is not suggested that any of these titles is even remotely simulated by the trade-mark.
>
> Nor am I able to agree with the Examiner of Interferences that the mark has become "the title to the printed publication" simply because the series of books may be considered complete. From that holding it would necessarily follow that upon the completion of any such series, or upon the suspension of its publication, a registered trade-mark under which the books of the series had been sold would become invalid, and its registration would be subject to cancellation. In fact that would be the status of appellee's mark, which the decision states is registrable, in the event appellee should decide to add no more books to those already published. To my mind such doctrine is clearly unsound. I think that trade-mark ownership in a mark applied to books depends upon exactly the same considerations as those by which the question of ownership is determined with respect to marks applied to any other merchandise. I can find no justification, either in law or in reason, for applying a different rule.
>
> Appellee has been using its mark, on the goods specified in its application, continuously since 1928. The date of first use claimed by appellee is December, 1932. In the view I take of the case appellee is therefore entitled to an award of priority.

In the case of *In re Page Company*, 47 App. D. C. 195, the court held that a trade-mark may be registered for a series of literary publications, but that such mark must be arbitrary, and not merely the name of any one or more of the series, the reasoning being that the name or title is clearly descriptive, the public having "no way of describing the book but by the use of the name." Also, it was there held that "The Trade-Mark Law is not intended to conflict with or extend the operation of the copyright law."

We find ourselves in agreement with the reasoning of the Commissioner of Patents in this case. It seems to us clear that appel-

lee's use of the mark in 1928 and in the subsequent years was a trade-mark use indicating origin; not a title use, and, although it did not issue an edition in 1932, the year appellant began use of its mark, we do not think appellee should be held to have then abandoned it. Its subsequent use of it in the years 1933, 1934, and 1935 negatives such an assumption. We are of the opinion that so long as appellee continued to reprint and issue the books originally printed, bearing the imprint of the mark, even had no change in text been made, it had the right to claim ownership of the mark so far as anything in this record shows.

The decision of the Commissioner of Patents is, accordingly, affirmed.

Decisions of the Commissioner of Patents

Conflicting Marks

Frazer, A. C.: *Held* that applicant is not entitled to register as a trade-mark for children's shoes, the notation "Chester's Walk-Eas-E" in view of the prior registration to another of the mark containing the words "Putney Walkeasy Shoe."

In his decision the Assistant Commissioner said:

> Applicant points out numerous differences between this mark and its own, and I am inclined to agree that in appearance they are sufficiently dissimilar to render confusion unlikely. I think the Examiner was right, however, in concluding that by reason of the occurrence in applicant's mark of the expression "Walk-Eas-E," and in the registered mark of the word "Walkeasy," which are phonetically the same, the marks as a whole may reasonably be confused when used as they are with substantially identical merchandise. (Citing and quoting from the decision of the Court of Customs and Patent Appeals in *E-Z Mills, Inc. v. Martin Brothers Co.*, 95 F. [2d] 269, 37 U. S. P. Q. 199) [28 T.-M. Rep. 207.][1]

Corporate Names

Frazer, A. C.: *Held* that that registration obtained by The Old Quaker Company of the term "Old Joe Smiles," as a trade-mark for whisky, gin, etc. (registration No. 322,208) should be can-

[1] Ex parte Morris Shoe Co., Inc., Ser. No. 380,013, 163 M. D. 50, May 31, 1938.

celled on the ground that the mark is substantially an appropriation of the corporate name of the petitioner for cancellation, Old Joe Distilling Company.

In his decision the Assistant Commissioner said:

> As the parties deal in identical merchandise, I think there can be no serious question but that registrant's mark and petitioner's name would be confused, and that while only a part of the name is incorporated in the mark, the registration should therefore be canceled. *American Steel Foundries* v. *Robertson*, 269 U. S. 372, 1926 C. D. 289 [13 T.-M. Rep. 289].

Then, after noting registrant's contention that the statutory prohibition against the registration of petitioner's corporate name was not pleaded and noting that the case of *Rookwood Pottery Co.* v. *A. Wilhelm Co.*, 43 App. D. C. 1, was cited in support of that contention, he said:

> Certainly, the petition is not as definite in that regard as it might be; but I think the allegations are sufficient to distinguish from the Rookwood Pottery case, and to support the Examiner's decision. In that case, which was an opposition proceeding, it was alleged in the notice of opposition merely that the opposer, "in the year 1890, was incorporated as the Rookwood Pottery Company; and apparently the name clause of the statute was sought to be invoked for the first time before the Court of Appeals.

And then, after quoting from the Rookwood decision, he said:

> In the present petition it is alleged "that said name 'Old Joe Distilling Co.' was adopted and made the corporate name of this petitioner which name this petitioner has used to the present time. . . . Petitioner has never parted with any interest in . . . . its said corporate name and owns all right, title and interest therein."
>
> I think that language clearly indicates the intention of the pleader to rely on the rather obvious fact, as a ground for the cancelation sought, that petitioner's name has been appropriated by registrant, and that the latter was sufficiently placed on notice of such intention.

Then, with reference to the contention that petitioner had failed to prove its corporate name and that the only evidence was the testimony of a witness who stated that he was president of the company and that the company was incorporated on July 28, 1933, he said:

> Not only was no objection made to this testimony, but on cross-examination the witness was again asked "when the present Old Joe Distilling Company was organized," and again answered, "July 28, 1933." As this testimony stands uncontradicted in the record, I think it must be accepted as

establishing *prima facie* the fact of petitioner's incorporation and its ownership of the corporate name.[2]

Descriptive Terms

FRAZER, A. C.: *Held* that applicant is not entitled to register, under the Act of 1905, as a trade-mark for

preparations for the treatment of gravel, stone, and other manifestations of the uric-acid diathesis, and to control the formation of urates,

the term "Piperazine-Midy."

The ground of the decision is that the first word contained in the mark is descriptive and the second is a surname, and therefore the mark is not registrable.

In his decision, after noting applicant's contention in this respect, he said:

The statute forbids the registration of either word alone, and I can find no reasonable basis for holding that their association together results in a registrable combination.

And then, after noting that applicant had filed a disclaimer of any attempt to cover by this registration either word, except in the precise relation shown, he said:

The office of a disclaimer is that of "distinguishing, without deleting, non-registrable matter in the drawing of the mark as registered." *Beckwith* v. *Commissioner of Patents*, 252 U. S. 538, 1920 C. D. 471 [10 T.-M. Rep. 255]. And where, as here, the entire mark is non-registrable, there would seem to be nothing from which to distinguish. I do not think that any mark should be accepted for registration under the Act of 1905, unless it includes at least one element that is registrable without disclaimer.[3]

FRAZER, A. C.: *Held* that applicant is not entitled to register the notation "Heldryte" as a trade-mark for dental tools and instruments such as explorers, excavators, etc., since the mark is merely descriptive of the goods. In his decision the Assistant Commissioner noted that the Examiner of Interferences had dismissed the opposition and the opposer had not appealed and therefore the only question was as to applicant's right to register the mark. He then

[2] Old Joe Distilling Company v. The Old Quaker Company, Canc. No. 3,075, 163 M. D. 43, May 14, 1938.

[3] Ex parte The Midy Laboratories, Inc., Ser. No. 391,281, 163 M. D. 41, May 13, 1938.

referred to an exhibit filed by the applicant consisting of an advertising folder in which it was said of these tools "They can be inserted into the handles quickly and will not turn or become loose while operating," and then said:

> I am constrained to agree with the Examiner's conclusion that this advertising matter sufficiently establishes the descriptive character of applicant's mark, and that it is therefore unregistrable for the merchandise involved. Applicant advertises, in effect, that when its tools are inserted in their handles they are "held right;" and the mark is an obvious misspelling of that descriptive expression.[4]

FRAZER, A. C.: *Held* that the opposer was not entitled to appeal from the decision of the Examiner of Interferences dismissing the opposition, since the Examiner had also held applicant's mark was unregistrable as descriptive and the applicant had not appealed.

In his decision after referring to, and quoting from, the decision, *Frigidaire Corporation* v. *Nitterhouse Brothers,* 20 C. C. P. A. 865, 63 F. (2d) 123 [23 T.-M. Rep. 163], in which under similar circumstances an appeal had been dismissed by the Court of Customs and Patent Appeals the Assistant Commissioner said:

> Opposer urges that it is entitled to have the Examiner's decision reviewed because, as the case now stands, applicant may still seek registration of its mark under the Act of March 19, 1920, whereas a reversal of that decision would serve to prevent such procedure; and it is suggested that this contingency was overlooked by the court in deciding the cited case. The fact is, however, that the point was expressly called to the court's attention in the decision of the Commissioner which was before the court for review (*Frigidaire Corporation* v. *Nitterhouse Brothers,* 156 M. D. 671, 9 U. S. P. Q. 532) [21 T.-M. Rep. 539] and was doubtless given such consideration as it was thought to merit.
>
> The statute provides for opposition to applications filed under the Act of February 20, 1905; and in such proceedings an applicant's right to register under the 1920 Act is not in issue, and may not properly be adjudicated. In the instant case, it having been finally determined that applicant is not entitled to have its mark registered under the Act of 1905, and that being the only question presented for determination, "there is no statutory relief which appellant may receive in this proceeding which has not already been adjudged."[5]

[4] A. P. de Sanno & Son, Inc. v. The Star Dental Manufacturing Co., Inc., Opp'n No. 15,239, 163 M. D. 46, May 27, 1938.

[5] Wm. P. Poythress & Company, Inc. v. Van Pelt & Brown, Inc., Opp'n No. 15,902, 163 M. D. 47, May 27, 1938.

Labels

FRAZER, A. C.: *Held* that applicant is not entitled to register certain labels, each of which specifies a large number of goods, some of which differ as widely as peanut butter and prune juice.

The Assistant Commissioner, after quoting rule 29 and rule 30 of practice relating to the registration of prints and labels, said:

> Manifestly a label that describes peanut butter could not be impressed on a bottle of prune juice "to indicate the article of manufacture," nor could a label for fruit cake be descriptive of salad dressing. To permit these registrations as applied for would be, in effect, to abrogate the rules in so far as they require that a label describe the article to which it is applied.[6]

Not a Trade-Mark

FRAZER, A. C.: *Held* that applicant is not entitled to register, under the Act of 1920 the words "Constant Weight Feeder" as a trade-mark for machinery for feeding and conveying various kinds of materials.

The ground of the decision is that the alleged mark is not in fact a trade-mark.

In his decision the Assistant Commissioner said:

> Obviously "feeder" is the generic name of applicant's goods; and it seems clear from the record that the modifying words, "constant weight," are used merely to designate the particular type of feeder in which applicant deals. This is tacitly conceded by applicant, but the contention is made that because used by no other dealer in similar merchandise to designate his product this particular combination of words has come to indicate origin in applicant. That, however, is not a conclusive test. A trade-mark must indicate origin, but it does not follow that everything which indicates origin is a trade-mark. To those familiar with applicant's goods I have no doubt that the words "Constant Weight Feeder" would signify those goods; but I think the average individual would regard them as the name of goods merely, without reference to origin.[7]

[6] Ex parte Austin, Nichols & Co., Inc., Ser. Nos. 72,826 and 72,827, 163 M. D. 42, May 14, 1938.

[7] Ex parte Hardinge Company, Inc., Ser. No. 373,567, 163 M. D. 50, May 31, 1938.

Opposition—Dismissal

FRAZER, A. C.: *Held* that a notice of opposition should not, under the circumstances of the case, have been dismissed without prejudice, on the opposer's motion.

In his decision after noting the well established rule under Federal practice, which is followed in oppositions, that a plaintiff may dismiss his bill without prejudice, upon payment of costs, any time before final hearing, unless such dismissal "would prejudice the defendants in some way other than by the mere prospect of being harassed and vexed by future litigation of the same kind," and noting that it was insisted and the Examiner of Interferences held, that petitioner's right to dismiss was absolute, the Assistant Commissioner said:

> The record discloses that the motion to dismiss was filed after respondent had taken testimony, and within a few days before the date set for final hearing. Respondent had thus incurred certain costs which in a Court of Equity petitioner would have been required to pay as a condition precedent to the dismissal of its bill. The Patent Office, however, has no authority to tax costs, so that this condition could not be here imposed. Under these circumstances it seems to me that respondent would be prejudiced by the dismissal beyond the mere possibility of a renewal of the litigation.[8]

Prints

FRAZER, A. C.: *Held* that applicant is not entitled to register a print stated to be "used for advertising purposes to assist in selling advertising matter," since the print is not descriptive of any article of manufacture as required by rule 30 of the rules of the Patent Office relating to the registration of prints and labels.

In his decision the Assistant Commissioner said:

> Applicant urges, however, and with apparent seriousness, that the print itself is an article of manufacture, and that it is self-describing. I quote from the brief on appeal:
>
> "The applicant cannot agree with the Examiner. Rather, it would seem the print of the application is an advertisement descriptive of a vendible commodity. The vendible commodity is advertising matter. The applicant sells advertising matter. The print sought to be registered is the vendible commodity itself."

[8] The Penetrene Corporation v. Plough, Inc., Canc. No. 3,086, 163 M. D. 44, May 20, 1938.

As Rule 28 provides that a print, to be registrable, must be "designed to be used for an article of manufacture and in some fashion pertaining thereto, but not borne by it," applicant thus suggests an alternative bar to the registration sought.

Whether upon the theory adopted by the Examiner, or upon the one advanced by the applicant, I think the applicant was properly refused.[9]

[9] Ex parte Joyce D. Wilson (doing business as The Sign of the Zodiac Advertising Company), Ser. No. 73,552, 163 M. D. 51, May 31, 1938.